



MINUTES OF THE FINANCE COMMITTEE MEETING
OF THE
BOARD OF COMMISSIONERS
FOR THE
COUNTY OF LEE, STATE OF NORTH CAROLINA

AUGUST 13, 2007

The Finance Committee meeting of the Board of Commissioners for the County of Lee, State of North Carolina, convened at 4:30 p.m. in the Small Conference Room, Lee County Government Center, 106 Hillcrest Drive, Sanford, North Carolina, immediately following the regular meeting of the Board, held on said date. Committee members present included Robert H. Brown, James C. Kelly, and Robert T. Reives. County Manager John Crumpton, County Attorney K. R. Hoyle, Finance Director Lisa Minter and Clerk to the Board Gaynell Lee were also present.

Finance Committee Chairman Robert Reives called the meeting to order.

Funding for the Lee County Industrial Park was discussed. Economic Development Director Bob Heuts had requested \$6,750 for an engineering study to begin the process of bringing the Lee County Industrial Park into compliance with a Federal permit. The FY 2008-2012 Capital Improvements Program (CIP) included a request totaling \$2,013,390 for additional work at the Industrial Park. Funds were requested to resolve compliance issues with the Corps of Engineers, paving of the road, add additional water lines, add gravity flow lines for sewage, and a wetlands survey. In July, Mr. Heuts requested funding to accept a proposal from ECS Carolina, LLP to develop a more cost effective preliminary plan to be in compliance with the US Army Corps of Engineers. The Board removed the request from the agenda and asked that the matter be reviewed by the Finance Committee. After some discussion, the Committee agreed the County should be handling the project instead of Economic Development and a dollar amount was necessary in order to know how much money was required to complete the project. County Manager John Crumpton was asked to get a better number account and more information on ownership issues at the Industrial Park. Commissioner Reives requested that Mr. Heuts be at the next meeting on September 10, 2007 to discuss the matter. No action was taken.

The Committee discussed the FY 2005 Community Development Block Grant (CDBG) project. County Manager John Crumpton requested authorization to send a letter to the Department of Community Assistance to notify them that Lee County will not be participating in the FY 2005 CDBG project. Mr. Crumpton stated that due to problems encountered with the FY 2002 CDBG project, the County has not been able to access the FY 2005 grant funds. While these problems have been resolved, the project can not be closed until a financial statement for the year ending June 30, 2007 is received by the State, and will not be available until November. FY 2005 grant funds must be spent by December 31, 2007. Based on the timing for the closeout

of the FY 2002 project, it is felt the FY 2005 funds could not be spent prior to December 31, 2007. Mr. Crumpton stated he had a verbal recommendation from Community Development Director Bob Bridwell and Planner Karen Kennedy to submit a letter to the Department of Community Assistance to relinquish the FY 2005 grant funds. After some discussion, Commissioner Reives moved to table the matter until something in writing is received from the Community Development Office. Upon a vote, the results were as follows:

Aye: Brown, Kelly, and Reives

Nay: None

The Chairman ruled the motion had been adopted unanimously.

County Manager John Crumpton was asked to send a letter to the State asking them to provide \$11,800 to close out the FY 2002 Community Development Grant Project.

Commissioner Kelly moved that County Attorney K. R. Hoyle review minutes from the Board of Commissioners' meetings from November 2006 through March 2007. Upon a vote, the results were as follows:

Aye: Brown, Kelly, and Reives

Nay: None

The Chairman ruled the motion had been adopted unanimously.

County Manager John Crumpton discussed with the Committee a contract he has entered into with Richardson Smith Gardner & Associates to perform engineering services related to the County's construction and demolition debris (C&D) landfill. Mr. Crumpton stated he had entered into this agreement to assist with re-permitting of the landfill because it was too much for in-house staff to handle. The report, which will address (1) evaluation of future options, and (2) permit amendment application, will be shared with the Board of Commissioners once it has been completed. The study will focus on whether to continue operations of the existing C&D landfill beyond the June 30, 2008, implementation date of the State's "new" C&D landfill rules or to close the existing landfill in accordance with the pre-existing "old" rules and transfer C&D waste out of the County using the Waste Management transfer station. No action was taken.

The Committee discussed a request from the Lee County Schools to consider a bond referendum. County Manager John Crumpton stated that an informal request had been made by School Superintendent Dr. Jim McCormick for the County to consider a countywide bond referendum in November 2007 for renovations at Lee County High School (\$25,000,000), renovations and repairs at East and West Lee Middle Schools, and the construction of a new elementary school. A meeting was held recently with Davenport & Company to identify the potential impact of a \$55,000,000 bond referendum on the County. Commissioner Reives shared with Committee members a request from Central Carolina Community College for two (2) new buildings that are needed for that campus which total \$17,400,000. The two new buildings requested include replacing the Jonesboro Center with a new Continuing Education Center (\$8,000,000) and a new Allied Health Education Center (\$9,400,000). Mr. Reives stated the community college should always be included when the Board discusses school funding, and therefore an additional \$17,400,000 should be included with the \$55,000,000 request from the public schools. After some discussion, Commissioner Brown moved not to support a November 2007 bond referendum for the above requests. Upon a vote, the results were as follows:

Aye: Brown, Kelly, and Reives
Nay: None

The Chairman ruled the motion had been adopted unanimously.

County Manager John Crumpton discussed recent break-ins at the Board of Elections Office, Government Center, and Bob Hales Armory. It was stated a security system had been installed at the Board of Elections Office using funds from their budget. This was presented as information only.

The Committee considered a request to implement a *Time and Attendance* program. Commissioner Reives moved for staff to proceed with contracts and agreements with Kronos and HCG, Inc. for consideration at the September 10, 2007 meeting. Upon a vote, the results were as follows:

Aye: Brown, Kelly, and Reives
Nay: None

The Chairman ruled the motion had been adopted unanimously.

County Manager John Crumpton discussed the following matters under "Manager's Comments":

- Land transfer tax and 1/4 cent local option sales tax: Mr. Crumpton recommended the Board consider the sales tax over the land transfer tax since it would generate more revenue per year and be spread out among all tax payers, not just individuals buying/selling real estate. His recommendation also asked that both the land transfer tax and 1/4 cent local option tax be placed on the May 2008 primary and not the November 2007 ballot. If both passed, the Commissioners would then select the one to enact.

Commissioner Brown moved to wait until the May 2008 primary and place both options on the ballot. Upon a vote, the results were as follows:

Aye: Brown, Kelly, and Reives
Nay: None

The Chairman ruled the motion had been adopted unanimously.

The Finance Committee will present a "Press Release" for consideration by the full Board at the September 10, 2007, meeting recommending that at this time both options be included on the May 2008 primary.

- Agriculture Agent for Cooperative Extension: Lee County, for the past two years has been without an agriculture agent, which has put a hardship on educational needs to the agricultural community. In FY 2005-06 Lee County increased funding from 20% for a cross-county position with Harnett County, to 45% for a full-time agent, with North Carolina State agreeing to fund the remaining 55%. NC State is now agreeing to fund the position at 45% with Lee County paying 55%. Cooperative Extension Director Susan Condlin is in the process of filling this vacancy.

- Assistant County Manager position: Mr. Crumpton stated he did not plan on filling the Assistant County Manager position recently vacated by Mr. Kenny Cole. Commissioner Reives asked the County Manager to re-visit that plan.
- General Services Director: Mr. Crumpton stated he would advertise in-house for a General Services Director to handle and supervise duties at General Services that was handled by former employee Mr. Kenny Cole.
- Reclassification of Sheriff's Department employees: Mr. Crumpton stated Sheriff Tracy Carter had requested several positions in his department be reclassified with pay increases. After some discussion, the consensus of the group was to deny the request. Mr. Crumpton was asked to notify Sheriff Carter of the decision.
- Lee County Financial Policies Resolution: Mr. Crumpton asked if the Committee wished any changes made to the Financial Policies Resolution adopted by the Board in May 2007. After some discussion, it was suggested that something pertaining to Capital Projects be incorporated in the Financial Policies Resolution. A draft will be presented to the full Board for consideration at the September 10, 2007 meeting.

With no further business to come before the Board, Commissioner Kelly moved to adjourn the meeting. Upon a vote, the results were as follows:

Aye: Brown, Kelly, and Reives
Nay: None

The Chairman ruled the motion had been adopted unanimously and the meeting adjourned in keeping with the motion.

Robert T. Reives, Chairman
Lee County Finance Committee

ATTEST:

Gaynell M. Lee, Clerk